

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 4/16/03

Division: Administrative Services

Bulk Item: Yes X No

Department: Risk Management

AGENDA ITEM WORDING: Accept proposal from Marsh-USA for renewal of Property Insurance coverage. Approval to accept a proposal from one of the pending markets if it contains the same coverage from an A rated carrier with better pricing and in the opinion of the Risk Management Administrator is a better proposal.

ITEM BACKGROUND: Current Property Insurance coverage expires on May 1, 2003.
Insurance covers scheduled Buildings and contents, Communication Towers, and Contractors Equipment.

Renewal details:

Primary Property carriers Lexington Insurance Company/Allied World Assurance Company to cover first \$5,000,000 at a premium of \$371,284. Excess Property coverage by Royal Surplus Lines Insurance Company to cover in excess of \$5,000,000 up to limit of \$86,544,519 at a premium of \$68,658. Boiler and Machinery coverage up to \$15,000,000 provided by Continental Casualty at a premium of \$5,479.

TOTAL PREMIUM- \$445,421

PREVIOUS RELEVANT BOCC ACTION: Approved purchase of Property Insurance coverage through Marsh-USA 4/2002

CONTRACT/AGREEMENT CHANGES:

Premium increase of \$19,675 or 4.6%

STAFF RECOMMENDATIONS: Approval

TOTAL COST: \$445,421

BUDGETED: Yes X No

COST TO COUNTY: \$445,421

SOURCE OF FUNDS: Ad Valorem

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty OMB/Purchasing Risk Management *RM*

DIVISION DIRECTOR APPROVAL:

Sheila Barker

Sheila Barker

DOCUMENTATION: Included X To Follow Not Required

DISPOSITION:

AGENDA ITEM # *206*



Property Renewal Proposal for Monroe County

Effective 5/1/2003

Presented By:

MARSH

1360 Sawgrass Corporate Parkway P.O. Box 456010 Sunrise, FL 33345-6010
Main: (954) 338-3400 Fax: (954) 338-3700

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Monroe County Executive Summary

A total marketing effort was made on behalf of Monroe County for the property renewal with the following results:

Lexington	-	Current primary market, quote provided
Royal Surplus	-	Current Excess market, quote provided
CNA	-	Current B & M market, quote provided
Hartford Steam	-	Quoted B & M at premium of \$18,624 for same limit
Allianz	-	Declined
Affiliated FM	-	Declined
Zurich /	-	Approached & Pending
Steadfast		
Ace /	-	Approached & Pending
Westchester		
Anch Insurance	-	Approached & Pending
Liberty Mutual	-	Approached & Pending
IRI	-	Approached & Pending
Travelers	-	Approached & Pending
Axis Specialty	-	Approached & Pending
Zurich	-	Approached for B & M quote
Lloyds	-	Would only be used if necessary as premiums are high

Although there are other property markets they do not write in Florida Keys. If one of the above pending markets should provide a better quote, it would be utilized.

Monroe County - Primary Property

<i>Effective Date:</i>	5/1/03 to 5/1/04
<i>Carrier & Best's Rating:</i>	Lexington Ins. Co. / Allied World Assurance Company A++XV)
<i>Form:</i>	Manuscript Form
<i>Perils:</i>	All risk of direct physical loss or damage to property including flood & earthquake, subject to policy exclusions
<i>Locations:</i>	As per schedule
<i>Limits:</i>	\$5,000,000 per occurrence
<i>Sublimits:</i>	<ul style="list-style-type: none">• \$5,000,000 per occurrence / annual aggregate Flood• \$5,000,000 per occurrence / annual aggregate Earthquake• \$5,000,000 per occurrence – Transit• \$5,000,000 per occurrence Demolition & Increased Cost of Construction• \$500,000 per occurrence – Newly Acquired Properties• \$25,000 per occurrence extra expense
<i>Deductibles:</i>	<ul style="list-style-type: none">• \$50,000 on building & contents less than \$250,000• \$100,000 on buildings & contents greater than \$250,000• \$100,000 earthquake• \$1,000,000 per location per occurrence for wind & hail• \$5,000 EDP equipment except \$50,000 for wind & hail• \$5,000 Contractors Equipment except \$50,000 for wind & hail• \$5,000 per occurrence for towers except \$50,000 for wind & hail
<i>Flood Deductibles:</i>	<ol style="list-style-type: none">1 With respect to locations wholly or partially within special Flood Hazard Areas (SFHA), areas of 100- year flooding, as defined by the Federal Emergency Management Agency (if these locations are not excluded elsewhere in this policy with respect to the peril of flood), the deductible shall be 5% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 any one occurrence.

Monroe County - Primary Property (continued)

Flood Deductibles: (cont.)

- 2 With respect to Named Storms (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone or Tropical storm), the deductible shall be 5% of the TIV at each location involved in loss or damage, subject to a minimum of \$100,000 any one occurrence.
- 3 With respect to any other flood loss or damage the deductible shall be 5% of the TIV at each location involved in loss or damage, subject to a minimum of \$25,000 any one occurrence and a maximum of \$100,000 any one occurrence.

Coverage to Include:

- Real & Personal Property
- EDP
- Towers
- Contractors Equipment
- Surveillance Equipment
- Transit
- Accounts Receivable
- Fire Brigade charges & other extinguishing expenses
- Debris Removal
- Expediting Expenses
- Loss Adjustment Reasonable Expenses
- Unintentional Errors or Omissions
- Consequential Loss
- Civil or Military Authority for a period not to exceed 30 days
- Ingress/Egress with 60 day limitation
- Defense Costs
- 90 day notice of non-renewal
- 90 day notice of cancellation/10 days for non-payment
- Joint Loss Agreement

Valuation:

Replacement cost if actually replaced; otherwise Actual Cash Value on date of loss

Total Insured Values:

\$91,544,519

Territory:

The United States of America, the District of Columbia and Canada

Exclusions: (Included but not limited to)

- Fraudulent or dishonest acts
- Faulty design or specifications, materials or workmanship
- Artificially generated electrical currents
- Mechanical Breakdown
- Explosion, rupture or bursting of steam boilers, pipers, turbines or engines

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Monroe County - Primary Property (continued)

Exclusions (cont;)

- Errors in processing or manufacturing of the insured's product
- Wear & tear, or gradual deterioration
- Normal settling or shrinkage of walls, floors or ceilings
- Loss of market, business interruption or extra expense loss due to delay with respect to property in transit
- Nuclear reaction, nuclear radiation or radioactive contamination
- Hostile or warlike actions including but not limited to rebellion, revolution, civil war usurped power or action taken by governmental authority
- Risks of Contraband or illegal trade
- Money and securities
- Land, Land Values and Impounded Water
- Growing crops, standing timber and animals except for research
- Watercraft, aircraft and motor vehicles
- Waterborne shipments to and from Puerto Rico, the Virgin Islands, Hawaii and Alaska and via the Panama Canal
- Export shipments after loading on board an overseas vessel or after ocean marine insurance attaches
- Water except water which is normally contained within any type of tank, piping system or other process equipment
- Data Corruption
- Import shipments prior to discharge from the overseas vessel or until the ocean marine insurance terminates
- Pollution
- Asbestos
- Policy Authors Clause on Manuscript Form
- Full Waiver Clause on Manuscript Form
- Terrorism
- Year 2000
- Mold
- Fines, penalties & expenses imposed by order of a government agency

Minimum Earned Premium: 35%

Annual Premium: \$371,284

Notes of Importance:

- 2 policies will be issued. A limit of \$3,500,000 will apply to Lexington Insurance Co. and a limit of \$1,500,000 will apply to Allied World Assurance Company
- An Additional premium of \$18,356 applies if coverage is desired for TRIA (Terrorism Risk Insurance Act of 2002)

Monroe County Excess Property

Effective Date: 5/1/03 to 5/1/04

Carrier & Best's Rating: Royal Surplus Lines Insurance Co.
(A-XIV)

Limits: \$86,544,519 per occurrence not to exceed
values reported excess of \$5,000,000

Deductibles: \$5,000,000 underlying

Valuation:

- Replacement Cost if actually replaced; otherwise actual cash value on date of loss.

Perils: All Risks of Direct Physical Loss or Damage to property excluding flood, wind, and hail & earthquake

Form: Excess Physical Damage Coverage Form

Coverage to Include:

- Follow -form underlying policy
- 90 day notice of cancellation / 10 days for non-payment
- Occurrence limit of liability endorsement
- Maintenance of primary insurance requirement

Exclusions:
(Included but not limited to)

- Follow form underlying policy plus
- Terrorism
- Electronic property & virus
- Fungus, wet rot, dry rot & bacteria (Limited coverage per endorsement)
- Pollution

Annual Premium:

- \$68,658

Notes of Importance: An additional premium of \$2,403 applies if coverage is desired for TRIA (Terrorism Risk Insurance Act of 2002)

Boiler & Machinery

<i>Effective Date:</i>	5/1/03 to 5/1/04	
<i>Carriers & Best's Rating:</i>	Continental Casualty (CAN) (AXV)	
<i>Coverage:</i>	Comprehensive including Production Equipment	
<i>Locations:</i>	Same as Property portion	
<i>Direct Damage Limit:</i>	\$15,000,000 per "accident"	
<i>Valuation:</i>	Repair or Replacement Cost	
<i>Sub-Limits</i>	\$100,000	Business Interruption Expense
	\$100,000	Utility Interruption limit for direct supplies of electricity, gas, steam water, telephone
	\$200,000	Expediting Expense
	\$100,000	Ammonia Contamination
	\$100,000	Water Damage
	\$100,000	Hazardous Substance
	\$100,000	Media Coverage
	\$500,000	Demolition & Increased Cost of Construction
	\$2,500	On direct damage except
	\$5,000	At Detention Center at 5501 College Rd. Stock Island, FL
<i>Deductibles:</i>	\$2,500	On Business Interruption/Extra Expense
	24 hours with 24 hour waiting period on Utility Interruption	
<i>Coverage to Include:</i>	<ul style="list-style-type: none"> • 90 day notice of cancellation/10 days for non-payment • Joint Loss Agreement • CFC Refrigerants • Ordinance or Law • Connected & Ready for use Requirement • 90 days automatic coverage for newly acquired location • State mandated jurisdictional inspections to be provided by CNA 	
<i>Exclusions: (Included but not Limited to)</i>	<ul style="list-style-type: none"> • Sewer piping, piping forming part of a fire protection system or water piping other than <ul style="list-style-type: none"> - Feed water piping between any boiler & its feed pump injection or - Boiler Condensate return piping or - Water piping forming a part of refrigeration & air conditioning vessels & piping used for cooling, humidifying or space heating purposes 	

Boiler & Machinery (Continued)

Exclusions:

*(Included but not limited to
cont.)*

- From an accident that is the result of an explosion or fire
- Explosion of an Object other than:
 - any steam boiler, steam piping, steam turbine, gas turbine, steam engine, electronic steam generator
 - any machine when such loss is caused by centrifugal force or mechanical breakdown
- Nuclear or radioactive contamination
- Earth Movement
- War & Military Action
- Flood surface water, waves, tidal waves, overflow of any body of water.
- Fire or explosion that occurs at the same time as an accident on that ensues from an "accident"
- The explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere
- Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement
- Aircraft or vehicles, lightning, sinkhole collapse, sprinkler leakage, windstorm or hail, freezing, weight of snow, ice or sleet
- An accident to any object while being tested
- Water or other means used to extinguish a fire
- Part of a boiler, fired vessel or electric steam generator that does not contain steam or water.
- Insulating or refractory material
- Non – metallic vessel, unless it's constructed & used in accordance with the American Society of Mechanical Engineers Code
- Catalyst
- Buried Vessel or piping
- Oven, Stove, furnace, incinerator, pot, or kiln
- Structure foundation, cabinet or compartment containing the object
- Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well casing
- Electronic computer or electronic data processing equipment unless used to operate one or more insured objects
- Machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes
- Part of a vessel that is not under pressure of the contents of the vessel or internal vacuum

Boiler & Machinery (Continued)

*Exclusions:
(Included but not limited to
cont.)*

- Structure foundation, cabinet or compartment containing the object
- Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well casing
- Electronic computer or electronic data processing equipment unless used to operate one or more insured objects
- Machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes
- Part of a vessel that is not under pressure of the contents of the vessel or internal vacuum
- Conveyor, crane elevator, escalator, hoist but not excluding and electrical machine or apparatus mounted on or used with this equipment

Annual Premium:

\$5,479

**Monroe County Contractor's Equipment
As Of March 26, 2003**

<u>County ID #</u>	<u>Description</u>	<u>Purchase Price</u>
#0903-667	1993 Kohler Generator 100kw	29,000
#0903-668	1993 Kohler Generator 100kw	29,000
#0903-669	1993 Kohler Generator 100kw	29,000
#0903-670	1993 Kohler Generator 100kw	35,000
#0903-671	1993 Kohler Generator 100kw	35,000
#0903-672	1993 Kohler Generator 100kw	48,000
#0940-177	1987 Huber Road Maintainer Mod 850A	42,000
#0940-222	1989 Ferguson Static Road Roller	37,000
#0940-230	1989 Catepillar Dozer	41,000
#0940-238	1990 Huber Maintainer-Mod.m850A	41,000
#0940-259	1990 Ford Tractor-Mod.6610W / Boom Flail. Axe MO	31,000
#0940-302	1991 Ferguson Pnuematic Roller	32,000
#0940-303	1991 Concrete Pump	25,000
#0940-311	1991 Catepillar Loader/Backhoe	38,000
#0940-361	1994 John Deere Front End Loader	63,000
#0940-411	1996 Ford Tractor & Motrim Boom Mower	38,000
#0940-423	1996 Catepillar Tractor Backhoe Loader	55,000
#0940-425	1996 New Holland Tractor W/ Motrim Boom	38,000
#0940-462	1997 Bandit Brush Chipper	26,000
#0940-445	1997 Caterpillar 12th Grader	133,000
#0940-455	1997 New Holland Ford Tractor W / Motrim Boom	38,000
#0940-456	1997 New Holland Ford Tractor W / Motrim Boom	38,000
#0940-465	1997 Simco Drilling Rig	20,000
#0940-427	1997 CatepillarVibratory Roller	23,000
#0940-457	1997 Leeboy Asphalt Paver	56,000
#0946-480	1997 Caterpillar Loader/ BackHoe	50,000
#3200-047	1990 Ford Tractor W / Boom Flail. Axe Mower	31,000
#0976-055	1997 Deere 244F, Loader	64,000
#0977-154	1996 Hyster Forklift	31,000
#0920-468	1998 Deere 1070 Tractor	17,000
#0972-024	1989 Case 1085B Excavator	99,000
#0974-057	1989 Fiat / Allis 14C Dozer	87,000
#0976-054	1989 Michigan L120 Loader	97,000
#0972-037	1997 Deere 244H Loader	65,000
#0974-059	1989 Fiat / Allis 14C Dozer	78,000
#2403 - 003	1999 Ford / NH 4630 Tractor	15,000
#0973-049	1989 Kawasaki KS565Z Loader	63,000
#0973-053	1990 CAT D6A Dozer	138,000
#0973-077	1990 REX 3-35 Trashmaster	151,000
#0940-542	2000 Case 621C Front end loader	77,000
#0940-556	2001 Case 621C Front end loader	77,000
#0940-576	2002 Case 621D Front end loader	84,000

Monroe County Contractor's Equipment
As Of March 26, 2003

<u>County ID #</u>	<u>Description</u>	<u>Purchase Price</u>
#0940-555	2001 Dynapac CA250 Roller	63,000
#0940-570	2002 BOMAG BW120as-3 roller	27,000
#0940-571	2002 BOMAG BW120as-3 roller	27,000
#0902-519	1995 CAT SR4 Generator	176,000
#1437-492	1993 Kohler 80ROZJ	26,000
#1808-008	1994 Kohler 20ROZJ8	17,000
#1808-009	1994 Kohler 15ROZJ8	17,000
#1808-010	1993 Kohler 80ROZ	17,000
#1808-011	1994 Kohler 15ROZ J81	17,000
#1808-012	1990 Kohler 15ROZ	17,000
#2500-020	1992 Kohler 60ROZJ61	34,000
#2500-021	1992 Kohler 60ROZJ61	34,000
	Total	\$2,716,000

MONROE COUNTY, FLORIDA

MONROE COUNTY TOWER FACILITIES OWNED BY MONROE COUNTY

As of 3/26/03

Location

Value

Key Largo Translator Tower

346 ft. Pirod

Users: Public Safety

Sheriff's Department

Coast Guard

WLRN Public Radio

Emergency Medical Service

\$350,000 Tower

\$100,000 Shelter & Equipment

Plantation Key Sheriff's Substation

295 ft. Rohn

Users: Sheriff's Department

U.S. Customs

Emergency Management

Public Safety

Public Works

Social Services

Emergency Medical Services

Bell South Mobility

\$500,000 Tower

\$250,000 Equipment

Islamorada Translator Towers

246 ft Pirod

Users: Sheriff's Department

WLRN Public Radio

Public Safety

\$175,000

Grassy Key Translator Tower

246 ft. Pirod

Users: Public Safety

Social Services

Sheriff's Department

WLRN Public Radio

\$300,000 Tower

\$100,000 Shelter & Equipment

MONROE COUNTY, FLORIDA

MONROE COUNTY TOWER FACILITIES OWNED BY MONROE COUNTY (Continued)

Marathon Sheriff's Substation

200 ft. Rohn

Users: Sheriff's Department

Public Safety

Emergency Management

Public works

U.S. Marshall's service

Fish and Game

\$250,000 Tower

\$75,000 Shelter & Equipment

Marathon Fisherman's Hospital

90 ft. Rohn

Users: Emergency Medical Services

Public Safety

Hospital

\$23,000

Marathon Emergency Operation Center

80 ft. Rohn

Users: Emergency Management

Sheriff's Department

Public Safety

State Law Enforcement

Social Services

Public Works

U.S. Navy

Various Emergency Communication Users

\$40,000

West Summerland Translator Tower

360 Ft. Pirod

Users: Public Safety

Sheriff's Department

WLRN Public Radio

\$500,000 Tower

\$250,000 Shelter & Equipment

Lower Keys Hospital

80 ft. Rohn

Users: Emergency Medical Services

Public Safety

Emergency Management

\$15,000

MONROE COUNTY, FLORIDA

MONROE COUNTY TOWER FACILITIES OWNED BY MONROE COUNTY (Continued)

Stock Island Sheriff's Headquarters

150 ft. Rohn

Users: Sheriff's Department

\$200,000

Public Safety

State Mutual Aid

Omnipoint Communications

Stock Island County Complex

100 ft. Rohn

Users: Public Works

Included

Sigsbee Translator Tower

160 ft. Re-enforced Pirod

Users: Public Safety

\$250,000

State Joint Task Force Law Enforcement

Social Service

U.S. Navy

WLRN Public Radio

Key West Courthouse

80 ft. Pirod

\$225,000 Tower

\$210,000 Equipment

Users: Sheriff's Office

Public Safety

Emergency Management

Fish and Game

Sprint Communications

Nextel Communications

TOTAL

\$3,813,000.

**Monroe County Property Worksheet
2003**

<u>Loc</u> <u>Code</u>	<u>Occupancy Name</u>	<u>Address</u>	<u>Key</u>	<u>Bldg</u>	<u>Cts</u>	<u>EDP</u>	<u>Surveillance</u> <u>Equipment</u>	<u>Construction</u>	<u>Year</u> <u>Built</u>	<u>#</u> <u>Stories</u>	<u>Square</u> <u>Footage</u>	<u>ISO</u> <u>Class</u>
BC1	Fire Ambulance Station	23 Emerald Rd.	Big Coppit Key 33040	609,100	0	0	0	masonry NC	1991	1	6,440	4
BP1	Fire Station	Key Deer Blvd.	Big Pine Key 33043	161,200	10,782	0	0	JM	1970	1	2,300	2
BP2	Senior Citizen Center	Key Deer Blvd.	Big Pine Key 33043	140,100	0	0	0	wood	1970	1	1,750	1
BP5	Library	200 Key Deer Blvd., #11 & #12	Big Pine Key 33043	105,500	139,660	3,845	0	steel/concrete	1984	1	2,400	4
C01	Fire Station	Overseas Hwy. Conch Key	Conch Key 33050	225,800	0	0	0	JM	1970	1	3,451	2
CJ3	Sheriff's Sub Station/Ambulance	MM20 Cudjoe Key	Cudjoe Key 33050	180,500	54,508	40,839	0	JM	1989	1	2,430	2
I01	Library	2331 Overseas Hwy	Islamorada 33036	448,600	679,154	10,463	0	fire resistive	1937	1	6,696	6
K01	Library	MM101.5 Overseas Hwy.	Key Largo 33081	854,400	797,853	7,487	0	masonry NC	1989	1	12,077	4
K06	Fire Station #1 (South)	MM99.5 Overseas Hwy.	Key Largo 33081	195,500	0	0	0	NC	1973	1	2,790	3
K07	Fire Station (North)	US Hwy. #1, MM106	Key Largo 33081	129,500	0	0	0	NC	1975	1	2,088	3
K08	Ambulance Center	96600 Overseas Hwy.	Key Largo 33081	548,629	0	0	0	JM	1975	2	7,744	2
K14	Key Largo Fire Station	East Key Largo, MM99.5	Key Largo 33081	625,700	0	0	0	masonry NC	1994	1	7,591	4
M01	Sub-Courthouse/Offices	3117 Overseas Hwy.	Marathon 33050	398,200	88,839	91,678	0	JM	1975	1	4,008	2
M02	Sheriff's Sub-Station/Offices	3103 Overseas Hwy.	Marathon 33050	471,300	223,601	60,393	38,328	JM	1973	1	6,990	2
M05	Library	3251 Overseas Hwy.	Marathon 33050	498,600	734,387	8,017	0	JM	1984	1	7,028	2
M06	Senior Citizen Center	33rd Street - Gulf	Marathon 33050	125,000	0	0	0	frame	1979	1	1,783	1
M07	Health Department	3333 Overseas Hwy.	Marathon 33050	318,896	22,000	0	0	masonry NC	1958	1	4,950	4
M10	Airport Terminal	9480 Overseas Hwy.	Marathon 33050	3,204,800	101,979	6,075	0	masonry NC	1964	1	40,146	4
M11	Public Works Offices	10600 Aviation Blvd.	Marathon 33050	123,300	104,209	12,690	0	JM	1976	1	1,800	2
M12	Fleet Maintenance Facility	10600 Aviation Blvd.	Marathon 33050	619,100	40,154	6,042	0	masonry NC	1994	2	8,500	4
M17	Government Center Annex	490 63rd Street	Marathon 33050	718,900	24,404	70,184	0	masonry NC	1970	1	10,074	4
M20	Marathon Gov. Center/EOC	27900 Overseas Hwy.	Marathon 33050	1,650,200	88,760	351,262	0	masonry NC	1993	2	23,250	4
M22	Detention Facility	3981 Ocean Terrace	Marathon 33050	978,100	94,155	20,773	0	masonry NC	1990	1	7,303	4
M99	Sheriff's Special Operations	86 Coco Plum Rd. (Leased)	Marathon 33050	0	152,630	139,356	0	wood/concrete	1970	2	5,270	
P01	Governmental Ctr/Courthouse	Highpoint Rd.	Plantation Key 33070	1,556,100	81,991	114,020	0	masonry NC	1977	2	21,988	4
P02	Sheriff's Sub-Station	88770 Overseas Hwy.	Plantation Key 33070	382,200	182,946	94,624	43,552	JM	1959	1	5,182	2
P03	County Offices/Social Services	Highpoint Rd.	Plantation Key 33070	161,800	18,489	23,878	0	JM	1958	1	2,336	2
P05	Public Works Offices	103 Key Heights Dr.	Plantation Key 33070	162,100	28,417	3,373	0	JM	1960	1	2,437	2
P09	Senior Citizen Center	Highpoint Rd.	Plantation Key 33070	123,200	0	0	0	JM	1984	1	1,750	2
P10	County Offices/Ellis Bldg.	88800 US Hwy. #1	Plantation Key 33070	590,700	33,987	70,866	0	wood/concrete/steel	1987	2	8,400	2
P11	Detention Facility	Highpoint Rd.	Plantation Key 33070	527,100	120,288	22,430	0	masonry NC	1990	1	5,500	4
S04	House for the Aged	5200 College Rd.	Stock Island 33040	571,200	25,067	6,062	0	frame	1947	1	8,066	1
S09	Detention Facility	5501 College Rd.	Stock Island 33040	21,596,600	1,053,839	228,027	0	fire resistive	1994	3	183,500	6
S11	Sheriff Admin. Bldg.	5525 College Rd.	Stock Island 33040	3,019,700	617,001	945,785	220,847	fire resistive	1996	3	29,660	6
T01	Health Clinic	170901 Highway #1 (Rear)	Tavernier 33050	183,369	14,266	0	0	NC	1937	1	2,590	3
T03	Fire & Ambulance Station	Marine Ave.	Tavernier 33050	462,402	0	0	0	masonry NC	1970	1	6,711	4
W01	Courthouse	500 Whitehead St.	Key West 33040	6,000,000	332,204	1,152,923	0	brick/concrete/JM	1890	2	19,135	2
W02	Annex/Courtrooms	510 Whitehead St.	Key West 33040	4,787,100	189,384	287,339	0	fire resistive	1968	4	60,215	6
W05	Lighthouse Museum	936 Whitehead St.	Key West 33040	208,900	0	0	0	frame	1928	1	2,950	1
W09	Justice Bldg./Record Storage	530 Whitehead St.	Key West 33040	1,934,000	95,961	799,410	0	JM	1987	3	27,400	2
W10	Library	700 Fleming St.	Key West 33040	921,500	1,744,993	66,161	0	JM	1968	1	13,137	2
W11	Senior Citizen Nutrition Center	Truman Ave. White St.	Key West 33040	291,000	0	0	0	NC	1954	1	4,100	3
W14	Harvey Government Center	1200 Truman Ave.	Key West 33040	1,973,000	1,075	0	0	JM	1914	2	26,650	2
W16	Airport Terminal	3491 S. Roosevelt Blvd.	Key West 33040	1,368,700	28,218	7,376	0	masonry NC	1957	2	23,761	4
W23	County Garage	S. Roosevelt Blvd.	Key West 33040	160,700	176,885	34,582	0	masonry NC	1984	1	2,820	4
W24	Gato Building & Generator	1100 Simonion St.	Key West 33040	6,385,671	306,511	1,549,081	0	fire resistive	1916	2	39,000	6
W25	Arnold Airport Terminal Annex	S. Roosevelt Blvd.	Key West 33040	1,284,187	0	0	0	masonry NC	1998	2	13,335	4
P25	Old Mariners Hospital	50 High Point Road	Islamorada 33070-200	2,090,000	0	0	0					
TOTALS				70,068,164	8,408,597	6,235,041	302,727					

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

1111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

April 2, 2003

Mr. William R. Grumhaus ARM
Risk Manager
Monroe County
1100 Simonton Street
Suite 268
Key West, Florida 33040

Subject: Property and Boiler and Machinery Renewal

Dear Bill:

Marsh USA has submitted their proposal for the renewal of the County's Property and Boiler and Machinery insurance policies. Both policies expire on May 1, 2003.

Currently the Property insurance is provided by:

- > Lexington Insurance Company;
- > Commercial Underwriters Insurance Company and
- > Royal Insurance Company.

Lexington and Commercial provides the first \$5 million of coverage with Royal providing the remaining \$88,578,546. The combined annual premium of all three policies is \$420,590.

CNA Insurance provides the County's Boiler and Machinery insurance with limits of \$15 million for an annual premium of \$5,156.

Marsh has proposed to renew the Property policies with terms and conditions that are comparable to the current program. Under Marsh's renewal proposal, Allied World Assurance will replace Commercial Underwriters in the first \$5 million layer. This does not present a concern since all of the insurers proposed by Marsh enjoy a favorable rating from the A.M. Best and Company, the leading evaluator of insurance company operations.

Adjustments to the County's property schedule were made in conjunction with the renewal. While the value of the County's buildings and contents were lowered by approximately \$5 million, the value of the mobile equipment and communication towers were increased significantly.

Marsh has proposed a combined premium of \$439,942 for the 2003/2004 policy year. This is 4.6% higher than the County's current premium. This is viewed as an extremely favorable renewal.

CNA has agreed to renew the County's Boiler and Machinery insurance for a premium of \$5,479. The terms and conditions of the CNA proposal are comparable to the current program and the proposed

premium is less than 7% more than what the County is currently paying. This is also viewed as a favorable renewal proposal.

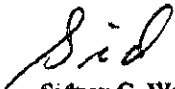
The attached schedules summarize the major features of both the Property and Boiler and Machinery proposals and compares them to the current program.

It is recommended that the County accepts the proposals as submitted by Marsh USA for the County's Property and Boiler and Machinery insurance for the period effective May 1, 2003. It is understood that Marsh is continuing its efforts to develop a more attractive program utilizing different insurers. If such a program can be developed prior to May 1, 2003, consideration should be given to the alternative proposal.

As always, please do not hesitate to call if you have any questions.

Cordially,

INTERISK CORPORATION



Sidney G. Webber
CPCU, ARM

**MONROE COUNTY
2003/2004 PROPERTY INSURANCE PROGRAM
RENEWAL EVALUATION**

April 2003

	Current Program	Renewal Proposal
Insurer	Lexington Insurance Co. Commercial Underwriters Royal Insurance Co.	Lexington Insurance Co. Allied World Assurance Royal Insurance Co.
AM Best Rating	Lexington - A++ Commercial Underwriters - A++ Royal - A	Lexington - A++ Allied - A++ Royal - A
Insured Values		
Building and Contents	\$90,005,546	\$85,015,519
Mobile Equipment	\$1,454,000	\$2,716,000
Towers	\$2,119,000	\$3,813,000
Limits		
Real & Personal Property	\$93,578,546	\$91,544,519
Flood	\$5,000,000	\$5,000,000
Law & Ordinance	\$5,000,000	\$5,000,000
Deductible		
Buildings valued under \$250,000	\$50,000	\$50,000
Buildings valued in excess of \$250,000	\$100,000	\$100,000
Wind & Hail	\$1 million	\$1 million
Flood	\$1 million	\$1 million
Contractors Equipment	\$5,000 except \$50,000 for Wind & Hail	\$5,000 except \$50,000 for Wind & Hail
EDP Equipment	\$5,000 except \$50,000 for Wind & Hail	\$5,000 except \$50,000 for Wind & Hail
Communication Towers	\$5,000 except \$50,000 for Wind & Hail	\$5,000 except \$50,000 for Wind & Hail
Replacement Cost	Yes	Yes
Agreed Amount	No	No
Blanket Limits	No	No
Premium	\$420,590	\$439,942
Comments		For an additional premium of \$20,759 terrorism coverage can be added in accordance with the Terrorism Risk Insurance Act of 2002

**MONROE COUNTY
2002/2003 BOILER AND MACHINERY INSURANCE PROGRAM
RENEWAL EVALUATION**

April 2003

	Current Program	Renewal Proposal	
Insurer	CNA Insurance Co.	CNA Insurance Co.	
AM Best Rating	CNA - A	CNA - A	
Limits			
Direct Damage	\$15,000,000	\$15,000,000	
Business Interruption	\$100,000	\$100,000	
Expediting	\$200,000	\$200,000	
Law & Ordinance	\$500,000	\$500,000	
Deductible			
Direct Damage	\$2,500	\$2,500	
Damage at Detention Facility	\$5,000	\$5,000	
Replacement Cost	Yes	Yes	
Agreed Amount	No	No	
Blanket Limits	No	No	
Premium	\$5,156	\$5,479	
Comments			